No. 15-446

IN THE

Supreme Court of the United States

CUOZZO SPEED TECHNOLOGIES, LLC,

Petitioner,

v.

MICHELLE K. LEE, UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR, PATENT AND TRADEMARK OFFICE,

Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF OF *AMICI CURIAE* CME GROUP, INC., TD AMERITRADE, INC., AND INTERCONTINENTAL EXCHANGE INC. SUPPORTING RESPONDENT

JENNIFER L. NALL
BAKER BOTTS L.L.P.
98 San Jacinto Boulevard
Suite 1500
Austin, Texas 78701-4078
(512) 322-2500

MICHAEL HAWES
AARON M. STREETT
Counsel of Record
J. MARK LITTLE
BAKER BOTTS L.L.P.
910 Louisiana Street
Houston, Texas 77002
(713) 229-1855
aaron.streett@bakerbotts.com

Counsel for Amici Curiae CME Group, Inc., TD Ameritrade, Inc., and Intercontinental Exchange Inc.

WILSON-EPES PRINTING CO., INC. – (202) 789-0096 – WASHINGTON, D.C. 20002

QUESTION PRESENTED

Whether the PTO may require that, during an *inter partes* review, the claims in a patent will be given the "broadest reasonable construction" consistent with the patent's specification.

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INTEREST OF *AMICI CURIAE*[1]

Amici CME Group, Inc., TD Ameritrade, Inc., and Intercontinental Exchange Inc. are all leaders in the financial industry. CME Group owns and operates the Chicago Mercantile Exchange, the Chicago Board of Trade,

[1] Petitioner's counsel of record consented to the filing of this brief by filing a blanket consent with the Clerk. Respondent's counsel of record has consented to the filing of this brief. *Amici* state that no portion of this brief was authored by counsel for a party and that no person or entity other than *amici*, their counsel, or their members made a monetary contribution intended to fund the preparation or submission of this brief.

the Commodity Exchange, and the New York Mercantile Exchange; TD Ameritrade is a major financial broker; and Intercontinental Exchange owns and operates a number of exchanges, including the New York Stock Exchange. Much of *amici*'s business concerns the development and adoption of new technologies for use in increasing the efficiency, reliability, and flexibility of U.S. financial markets. Those efforts have fostered a strong interest in U.S. patent law, as they have resulted in *amici* being patent owners and frequent participants in both patent litigation in the federal courts and post-grant proceedings in the U.S. Patent and Trademark Office (PTO). That firsthand experience with the on-the-ground realities of both litigation and PTO proceedings in the post-America Invents Act (AIA) environment affords *amici* a unique perspective on the two systems—a perspective particularly useful in resolving the first question presented in this case.

SUMMARY OF ARGUMENT

The AIA's structure and purpose mandate the broadest reasonable interpretation standard as the appropriate claim-construction standard for *inter partes* review. First, the PTO can best fulfill its congressionally intended mission to guard against improvidently granted patents if it applies the same claim-construction standard that the PTO does when it initially examines patent applications and reexamines granted patents. Second, the AIA's expansion of the patent owner's right to reissue a patent, including adding new claims and amending existing claims, along with the creation of a claim-amendment process in *inter partes* review confirm Congress's intent that the broadest reasonable interpretation standard should govern *inter partes* review. Finally, the AIA's express imposition of a different burden of proof in *inter partes* review than the one that applies in district court

litigation dispels the notion that Congress intended strict uniformity between those two fora.

Moreover, because district court patent litigation runs on a reasonableness standard—rather than the *Phillips* ordinary-meaning standard—for most practical purposes, there is no disharmony in using the broadest reasonable interpretation standard in *inter partes* review. This Court's endorsement of the broadest reasonable interpretation standard as a step in the claim-construction process further supports its use in *inter partes* review. For all of these reasons, the PTO correctly decided to employ the broadest reasonable interpretation standard in *inter partes* review.

ARGUMENT

I. CONGRESSIONAL INTENT AND THE STRUCTURE OF THE AIA SUPPORT THE PTO'S DECISION TO USE THE BROADEST REASONABLE INTERPRETATION STANDARD IN *INTER PARTES* REVIEW

Viewing the entire AIA in the context of the motivating congressional concerns and the previous legislative regime yields the undeniable conclusion that Congress intended the PTO to use the broadest reasonable interpretation standard in *inter partes* review.

A. The PTO correctly employs the broadest reasonable interpretation standard in light of Congress's intent for *inter partes* review to guard against improvidently granted patents

A principal motivation of Congress in passing the AIA was to address the problem of improvidently granted patents. See H.R. Rep. No. 112-98, pt. 1, at 38-39 (2011) (explaining that the Act "reflect[s] a growing sense that questionable patents are too easily obtained and are too difficult to challenge" and aims to "correct flaws in the system that have become unbearable") (http://www.uspto.gov/sites/default/files/aia_implementation/crpt-112hrpt98-pt1.pdf). *Inter partes* review—the

AIA's signature reform—formed the core of the solution to this problem. In order to check the PTO's work in initially granting a patent, *inter partes* review must employ the same standard as the PTO did when it issued the patent: the broadest reasonable interpretation standard. Employing a different standard, as Cuozzo advocates, would frustrate this motivating congressional concern of the AIA and allow patents that should not have been granted under the broadest reasonable interpretation standard to nevertheless survive *inter partes* review.

Further highlighting Congress's core concern in creating *inter partes* review, the AIA requires the PTO to determine *patentability*—an examination concept—not invalidity. 35 U.S.C. §§ 311(b), 316(e), 318. The AIA clearly distinguishes between an *invalidity* claim filed in a district court and the assertion of *unpatentability* in *inter partes* review. A party may file "a civil action challenging the *validity* of a claim" in district court, 35 U.S.C. § 315(a)(1) (emphasis added), but a "petitioner in an inter partes review may request to cancel *as unpatentable* 1 or more claims of a patent." 35 U.S.C. § 311(b) (emphasis added); see also 35 U.S.C. §§ 316(e), 318. Through its language, Congress unambiguously chose to differentiate an *inter partes* review's patentability analysis from a district court's invalidity determination. For *inter partes* review proceedings, Congress used the examination lexicon, which is historically tied to the broadest reasonable interpretation standard.

The AIA's legislative history confirms this understanding. One of the statute's co-sponsors, Senator Kyl, made clear his belief that the broadest reasonable interpretation standard would govern *inter partes* review. He explicitly highlighted that Section 5(g) of the AIA would help "identify inconsistent statements" by the patent owner that are broader than the "'broadest reasonable construction'" standard that would apply "in an inter

partes review." See 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl). In summary, use of the broadest reasonable interpretation standard during *inter partes* review aligns with one of Congress's principal concerns in passing the AIA and creating *inter partes* review.

B. Congress recognized that different decisions could be reached in different fora, as shown by the history of reexamination and its express decision to impose different burdens of proof for aspects of *inter partes* review

Statutory text and history demonstrate Congress's acceptance that PTO proceedings and district court litigation might reach divergent results based on their different standards. *Ex parte* reexamination is an example. In the 36 years since its creation, *ex parte* reexamination has been a process in which the PTO reconsiders the patentability of claims of issued patents using the broadest reasonable interpretation standard for claim construction.[2] That practice has led to different rulings between the PTO and district courts, which in turn has at times caused a race to a final judgment. See, *e.g.*, *Fresenius USA, Inc.* v. *Baxter Int'l, Inc.*, 721 F.3d 1330, 1339 (Fed. Cir. 2013) (stating that so long as the judgment in the infringement action is not final, "the language and legislative history of the reexamination statute show that Congress expected * * * that cancellation of claims during reexamination would be binding in concurrent infringement litigation").

When Congress created *inter partes* review in the AIA, it was fully aware of this decades-long history of the PTO engaging in *ex parte* reexaminations using the broadest reasonable interpretation standard concurrently with district court litigation involving the same patent

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[2] See Act of Dec. 12, 1980, Pub. L. No. 96-517, 94 Stat. 3015.

employing the *Phillips* ordinary-meaning standard. Yet Congress left it to the PTO to specify the claim-construction standard for the new *inter partes* review proceeding. That silence demonstrates that Congress accepted the historical distinctions between district court actions and PTO proceedings.

There is more than congressional silence on this point, however. Congress affirmatively mandated that different burdens of proof apply in *inter partes* review and district court proceedings. Specifically, *inter partes* review of patentability is based on a preponderance-of-the-evidence standard. 35 U.S.C. § 316(e). In contrast, an invalidity defense requires clear and convincing evidence to overcome the statutory presumption of validity. *Microsoft Corp.* v. *i4i Ltd.*, 131 S. Ct. 2238, 2242 (2011). Cuozzo cannot square that express discontinuity with its claim that Congress wanted patentability and invalidity determinations to always align perfectly. The opposite conclusion is inescapable: Congress decided that the results of district court invalidity determinations would sometimes be different from results of PTO reviews of patentability. That follows from the different burdens of proof and the different claim-construction standards—broadest reasonable interpretation for *inter partes* review and *Phillips* ordinary meaning for litigation.

C. *Inter partes* review replaces *inter partes* reexamination, and should be allowed to use the same standard

Inter partes review at the PTAB entirely replaced *inter partes* reexaminations at the PTO, a proceeding which employed the broadest reasonable interpretation standard. Despite the fact that the PTO used the broadest reasonable interpretation claim-construction standard for *inter partes* reexaminations in the years before the

enactment of the AIA,[3] Congress did not legislate a change to the claim-construction standard used by the PTO when it instituted *inter partes* review. It is difficult to imagine a clearer indication that it did not intend to alter this core standard. Moreover, Congress granted the PTO the broad power to "prescribe regulations * * * establishing and governing inter partes review under this chapter and the relationship of such review to other proceedings under this title." 35 U.S.C. § 316(a)(4). The PTO employed that power here to continue to use the broadest reasonable interpretation standard in the new *inter partes* review proceeding.

II. CONGRESS IMPLEMENTED A BALANCE BETWEEN PATENT OWNERS AND CHALLENGERS IN THE AIA'S PROVISIONS THAT SUPPORTS THE PTO'S USE OF THE BROADEST REASONABLE INTERPRETATION STANDARD

In complaining that the broadest reasonable interpretation standard would create an imbalance between patent owners and challengers, Cuozzo ignores the various options available to a patent owner to amend its patent after issuance that Congress maintained and expanded in the AIA. Instead, Cuozzo addresses only a few sections of the AIA to create a distorted view of the actual balance Congress implemented. Taking into account all the post-grant options available, including those provided in the AIA, there is no reason to override PTO's decision to use the broadest reasonable interpretation standard in *inter partes* review.

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[3] See Act of Nov. 29, 1999, Pub. L. No. 106-113, § 4604, 113 Stat. 1501A-570.

A. The discretion legislatively granted to the PTO, and concurrent reissue availability, support using the broadest reasonable interpretation standard in *inter partes* review

Congress delegated the PTO the power to "establish[] and govern[] inter partes review under this chapter and the relationship of such review to other proceedings under this title." 35 U.S.C. § 316(a)(4). That authority necessarily includes the power to promulgate regulations governing the interplay between a patent owner's right to amend claims through reissue and a challenger's right to establish unpatentability in an *inter partes* review. The AIA explicitly allows the PTO to balance those competing interests, and the PTO did so by adopting the broadest reasonable interpretation standard for *inter partes* review. That exercise of conferred discretion should not be disturbed.

The PTO's approach is consistent with the patent owner's ability to file a petition for reissue[4] to seek additional claims or amend existing claims, before, during, or after the *inter partes* review. See 35 U.S.C. § 251(a). If filed before the second anniversary of the patent's issuance, a patent owner can even seek to broaden the coverage of its claims using the reissue process. *Id.* § 251(d). Therefore, if the PTO does not use the broadest reasonable interpretation standard during *inter partes* review proceedings, then a patent owner could receive inconsistent patentability rulings in concurrent PTO proceedings relating to the exact same claims.

Further reflecting Congress's desire for consistency as to the claim-construction standard, the AIA authorizes the PTO to issue "stay, transfer, consolidation, or termi-

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[4] Reissue proceedings use the broadest reasonable interpretation standard for claim construction. See *In re Reuter*, 670 F.2d 1015, 1019 (C.C.P.A. 1981).

nation" orders for other proceedings in the PTO pending an *inter partes* review if the proceeding "involve[s]" the same patent. See 35 U.S.C. § 315(d). Because the PTO has this power to consolidate multiple PTO proceedings, including *inter partes* review, it is especially unreasonable to deny the PTO the ability to proscribe regulations making those proceedings consistent.

B. The availability of claim amendments during *inter partes* review also supports the use of the broadest reasonable interpretation standard

Petitioner also fails to explain its disregard of the explicit availability of amendments during *inter partes* review. Although the AIA provisions that allow amendment during post-grant proceedings do impose some limitations on the right to amend in *inter partes* review, the right to amend is far from illusory. See *Nike, Inc.* v. *Adidas AG*, No. 2014-1719, 2016 WL 537609 (Fed. Cir. Feb. 11, 2016) (vacating and remanding a denial of claim amendment during *inter partes* review). The limitations accompanying that right are entirely reasonable in light of the time-limited nature of the proceeding, the lack of an examination process, and the patentee's knowledge both of the exact challenges to its claims and the entire set of possible prior art that can be cited against its patent in that proceeding.[5]

Congress set up *inter partes* review as a specialized process where the patent owner first is given access to all of the prior art and arguments for unpatentability and then allowed to amend the claims to overcome that art. Additionally, the patent owner already knows that the PTO believes that "there is a reasonable likelihood that

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[5] Cuozzo's request to amend was rejected because it attempted to amend its claims to be broader than what the PTO found to be covered under the broadest reasonable interpretation.

the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." 35 U.S.C. § 314(a). In short, the patent owner knows the aspects of its patent that aroused the PTO's concern and all of the prior art supporting that concern. Armed with that knowledge, a patent owner can address those concerns with a single motion to amend (as of right).

Additionally, given that the statute explicitly grants the patent owner only the right to make narrowing amendments, the PTO's use of the broadest reasonable interpretation standard gives the patent owner as much leeway to amend as possible. Without the PTO's use of the broadest reasonable interpretation standard, the patent owner's attempts to amend during *inter partes* review will be artificially limited in a way that is wholly inconsistent with the concurrent availability of amendments in other proceedings, such as reissue. Thus, the statute's express grant of the right to amend during *inter partes* review supports the PTO's decision to use the broadest reasonable interpretation standard in *inter partes* review proceedings.

Moreover, a holding that the PTO is not allowed to use the broadest reasonable interpretation standard may result in two different standards during a single *inter partes* review proceeding. The statute explicitly instructs the PTO to promulgate regulations setting the "standards and procedures" for claim amendment during *inter partes* review. *Id.* § 316(a)(9). The standard for claim construction is a necessary part of that process. Thus, at a minimum, the PTO deserves *Chevron* deference for the promulgation of regulations implementing its governing its statutory mandate. See *Chevron U.S.A., Inc.* v. *Nat. Res. Def. Council, Inc.*, 467 U.S. 837 (1984). Refusing the PTO the discretion to use the broadest reasonable interpretation standard in final decisions, while allowing its use for amendments during *inter partes* review, would

needlessly complicate the amendment-during-*inter-partes*-review process, thereby making it less available to patent owners and frustrating the "expedition-and efficiency-based policies" underlying the establishment of *inter partes* review proceedings. See *Ariosa Diagnostics* v. *Verinata Health, Inc.*, 805 F.3d 1359, 1367 (Fed. Cir. 2015).

C. The PTO's choice to use the broadest reasonable interpretation standard in *inter partes* review is further supported by the AIA's expansion of a patent owner's ability to obtain reissue

At the same time Congress created *inter partes* review, it also expanded the availability of reissue by removing the requirement that it be used only to correct errors made "without deceptive intention." See Leahy-Smith America Invents Act, Pub. L. No. 112-29, § 20, 125 Stat. 285, 334 (2011). That change in the statute allows patent owners to seek reissue independent of the original prosecution, so that the patent owner may focus the reissue proceeding on potential changes to the patent, including its claims. Congress's choice to expand the post-grant opportunity to amend claims through reissue in the AIA, while also creating the *inter partes* review procedure that includes claim-amendment opportunities, indicates Congress was aware of and supported the way that the PTO has implemented the claim-amendment process.

The changes in post-grant practice implemented by the AIA are consistent with the rationale underlying long-established use of the broadest reasonable interpretation standard at the PTO. The statutorily required fast adjudication (35 U.S.C. § 314(b)), the statutory lack of a right to appeal (*id.* § 314(d)), the statutorily prescribed low evidentiary standard (*id.* § 316(e)), the addition of preissuance submissions by third parties during original prosecution (*id.* § 122(e)(1)), and the creation of post-

grant review (*id.* § 321 et seq.), are just a few examples of the attempts by Congress to fix a system hampered by the frequent issuance of nuisance patents. The notion that Congress intended to reverse the PTO's longstanding and consistent use of the broadest reasonable interpretation claim-construction standard is incompatible with the overall statutory scheme. See *Davis* v. *Mich. Dep't of Treasury*, 489 U.S. 803, 809 (1989) ("[S]tatutory language cannot be construed in a vacuum. It is a fundamental canon of statutory construction that the words of a statute must be read in their context with a view to their place in the overall statutory scheme.").

D. Cuozzo's attempt to distinguish the longstanding use of the broadest reasonable interpretation standard in interference proceedings highlights fundamental flaws in its argument

Making a statement equally applicable to *inter partes* review, Cuozzo concedes that the broadest reasonable interpretation standard is justified in interference proceedings because of the patent owner's ability to file a reissue, stating:

> The PTO also applies the BRI protocol in interference proceedings, which are a "contest * * * between an application and either another application or a patent" to determine "which party first invented the commonly claimed invention." PTO Manual § 2301. *The BRI protocol is used in interferences because a patentee may "narrow its claims by filing an application to reissue the patent [and] requesting that the reissue application be added to the interference."* *Bamberger* v. *Cheruvu*, 55 U.S.P.Q.2d 1523, 1526 (B.P.A.I. 1998) (unpublished). The AIA changed the U.S. patent system from a "first-to-invent" to a "first-inventor-

> to-file" system, and thus interference proceedings eventually will be eliminated.

Cuozzo Br. 25 n.6 (emphasis added).

Yet, reissue availability in interference proceedings is directly analogous to its availability in *inter partes* review proceedings. During an interference proceeding involving an issued patent—just as in an *inter partes* review—the patent owner participates in a post-issuance *inter partes* adversarial process that could result in cancellation of issued claims. Further, reissue applications are equally available to a patent owner participating in an interference or *inter partes* review. See 35 U.S.C. § 251(a). Thus, Cuozzo's footnote 6 is equally applicable to *inter partes* review and undermines the entire argument in Section I.A. of Cuozzo's brief. Put simply, interference proceedings' use of the broadest reasonable interpretation standard strengthens the argument for using that standard in *inter partes* review and weakens Cuozzo's position.

III. THE BROADEST REASONABLE INTERPRETATION STANDARD MAINTAINS CONSISTENCY BETWEEN *INTER PARTES* REVIEW AND TRADITIONAL LITIGATION BECAUSE, FOR MOST PRACTICAL PURPOSES, MODERN PATENT LITIGATION RUNS ON A REASONABLENESS STANDARD

Inter partes review bears some of the features of district court patent litigation, but differs in many respects. Cuozzo presents a skewed picture of patent litigation in asserting that the broadest reasonable interpretation standard creates inconsistency with the standards used in litigation. See Cuozzo Br. 26-35. In fact, use of the broadest reasonable interpretation standard in *inter partes* review is entirely consistent with the realities of patent litigation.

The *Phillips* ordinary-meaning standard for infringement and validity analysis is the principal standard at the

time of district court claim construction, but it is not the standard that dominates the practical realities of patent litigation. Instead, a basic reasonableness standard—which closely resembles the broadest reasonable interpretation standard—informs the vast majority of any given patent litigation. That makes the broadest reasonable interpretation standard a natural choice for *inter partes* review to the limited extent it serves as a replacement for traditional patent litigation.

Reasonableness alone limits a patent plaintiff's theories of claim construction up until the point at which the district court actually construes disputed terms in the claims. Federal Rule of Civil Procedure 11's prohibition against frivolous legal arguments is the primary basis for that reasonableness standard. See Fed. R. Civ. P. 11(b). It imposes a requirement that a party must be able to "reasonably argue for the claim construction that it propose[s]." *iLOR, LLC* v. *Google, Inc.*, 631 F.3d 1372, 1379 (Fed. Cir. 2011). That is a low bar, one that is met so long as the proposed construction is not "so unreasonable that no reasonable litigant could believe it would succeed." *Id.* at 1378. To be sure, that reasonableness standard provides some protection against truly baseless claim-construction theories. See *Source Vagabond Sys. Ltd.* v. *Hydrapak, Inc.*, 753 F.3d 1291, 1301 (Fed. Cir. 2014) (upholding the "impo[sition] [of] Rule 11(b)(2) sanctions based upon [the plaintiff's] frivolous claim construction arguments"); *Eon-Net LP* v. *Flagstar Bancorp*, 653 F.3d 1314, 1329 (Fed. Cir. 2011) (upholding Rule 11 sanctions because the plaintiff's proposed "claim construction position 'borders on the illogical'"). But it leaves open a vast array of possible claim constructions against which a defendant must guard in addressing a patent claim.

If district courts had to construe the entire language of the asserted claims early in litigation, then Cuozzo's consistency-based argument against the broadest rea-

sonable interpretation standard might have more weight. But that is not the case. A district court may construe the claims at any time before instructing the jury. See *Network Commerce, Inc.* v. *Microsoft Corp.*, 422 F.3d 1353, 1363-1364 (Fed. Cir. 2005) ("There is no requirement that the district court construe the claims at any particular time * * * ."); *CollegeNet, Inc.* v. *ApplyYourself, Inc.*, 418 F.3d 1225, 1234 (Fed. Cir. 2005) ("The trial court has discretion to develop the record fully and decide when the record is adequate to construe the claims."). And any early construction it does undertake is only tentative, because a district court may "revisit[] and alter[] its interpretation of the claim terms" at any point before it instructs the jury. *Jack Guttman, Inc.* v. *Kopykake Enters., Inc.*, 302 F.3d 1352, 1361 (Fed. Cir. 2002). Having multiple rounds of claim construction in a case "is not an uncommon occurrence—parties in patent cases frequently stipulate to a construction or the court construes a term, only to have their dispute evolve to a point where they realize that a further construction is necessary." *GE Lighting Sols., LLC* v. *AgiLight, Inc.*, 750 F.3d 1304, 1310 (Fed. Cir. 2014).

Further elevating the importance of the reasonableness standard, district courts often construe only some language in a patent's claims, leaving the interpretation of the remainder unbounded except for the restraints of reasonableness. Local rules in many districts force the parties to select only ten terms or phrases per patent for the court to construe. See N.D. Ill. Local Patent R. 4.1(b) ("No more than ten (10) terms or phrases may be presented to the Court for construction absent prior leave of court upon a showing of good cause."); W.D. Wash. Local Supp. Patent R. 132(c) ("The Court will construe a maximum of ten claim terms at the initial Markman hearing, unless the Court determines otherwise."). Similar practices prevail in other districts as well. See *Univ. of Va.*

Patent Found. v. *Gen. Elec. Co.*, C.A. No. 3:14CV51, 2015 WL 6958073, at *7 (W.D. Va. Nov. 10, 2015) ("The parties shall bring no more than ten (10) disputed claim terms for construction before the district court."); *Zamperla, Inc.* v. *I.E. Park SRL*, No. 6:13-CV-1807-Orl-37, 2014 WL 6473728, at *2 (M.D. Fla. Nov. 18, 2014) ("[T]he Court invokes its inherent authority to reduce the number of claim terms that it will construe during claims-construction to five terms."); *Cleancut LLC* v. *Rug Doctor, Inc.*, No. 2:08-CV-836-TC, 2011 WL 5057005, at *4 (D. Utah Oct. 19, 2011) (referencing the "ten-term limit imposed by the court"). As a consequence, the reasonableness standard continues to be the only guidepost for those parts of the claims the district court chooses not to construe.

The result is that much of a typical patent case operates on a reasonableness standard. Discovery is a prime example. "[P]arties are under an obligation to conduct discovery without the benefit of the district court's construction," meaning that the scope of discovery is bounded only by any reasonable construction of the claims. *Network Commerce*, 422 F.3d at 1364. That reasonableness standard also sets the limits for all expert disclosures, pre-trial motions, and even disputes during trial up until the point at which the district court construes the relevant language of the claims.

A construction's reasonableness governs other important aspects of patent litigation as well. This Court employed the reasonableness standard in assessing claim constructions in the induced-infringement context in *Commil USA, LLC* v. *Cisco Systems, Inc.*, 135 S. Ct. 1920 (2015). Specifically, this Court recognized there would be no liability "if the defendant reads the patent's claims differently from the plaintiff[] *and that reading is reasonable*" and non-infringing. *Id.* at 1928 (emphasis added). Thus, in induced infringement cases, a reasona-

bleness standard is especially relevant to claim constructions.

In sum, reasonableness is already the basic standard for most purposes in patent litigation. A patent defendant must prepare for and endure litigation covering the broadest reasonable interpretation of the claims. It is only natural that that same reasonableness framework should hold sway in the litigation-like context of *inter partes* review.

IV. Both This Court's Precedents And The PTO's Lengthy Track Record Demonstrate The Suitability Of The Broadest Reasonable Interpretation Standard To *Inter Partes* Review

The broadest reasonable interpretation standard enjoys a healthy pedigree in both the litigation and administrative contexts. This Court applied a similar "fairly susceptible" standard as a step in claim construction in its own patent cases, and the PTO has long used the broadest reasonable interpretation standard in many types of patent proceedings. Thus, despite Cuozzo's insinuations to the contrary, the broadest reasonable interpretation standard has proven to be workable in a wide variety of patent proceedings, and it is well-suited to the hybrid context of *inter partes* review.

A. This Court has applied a standard similar to broadest reasonable interpretation—the "fairly susceptible" standard—in its own claim-construction precedent

The broadest reasonable interpretation standard is not a foreign concept in patent litigation. In fact, this Court's precedents on claim construction employ a functionally identical framework—the "fairly susceptible" standard—as a step in construing a patent's claims. Since the nineteenth century, the "fairly susceptible" standard has fulfilled a targeted, but important, role in

claim construction, ensuring that "in a case of doubt, where the claim is fairly susceptible of two constructions, that one will be adopted which will preserve to the patentee his actual invention." *McClain* v. *Ortmayer*, 141 U.S. 419, 425 (1891).

The "fairly susceptible" standard employs the same reasonableness analysis as the broadest reasonable interpretation standard. Asking whether a claim is "fairly susceptible" to a given construction is merely another way of determining whether that construction falls within the broadest reasonable interpretation of the claim. That understanding is consistent with this Court's more recent use of a similar standard in the arbitration context. See *Wright* v. *Universal Mar. Serv. Corp.*, 525 U.S. 70, 77-78 (1998) (arbitration "should not be denied unless it may be said with positive assurance that the arbitration clause is not susceptible of an interpretation that covers the asserted dispute" (quoting *AT&T Techs., Inc.* v. *Commc'ns Workers of Am.*, 475 U.S. 643, 650 (1986)). And it also lines up well with similar analyses this Court undertakes in construing a patent's claims. See *Bates* v. *Coe*, 98 U.S. 31, 38 (1878) ("[T]he claims of the patent, like other provisions in writing, *must be reasonably construed*, and in case of doubt or ambiguity it is proper in all cases to refer back to the descriptive portions of the specification to aid in solving the doubt or in ascertaining the true intent and meaning of the language employed in the claims." (emphasis added)).

There can be no question about the suitability of this standard to claim construction. Its long track record has demonstrated that the "fairly susceptible" standard ably performs its duties of separating the wheat from the chaff when construing claims. This Court has applied that standard to reach different results based on the divergent facts of specific cases. Compare *Smith* v. *Snow*, 294 U.S. 1, 14 (1935) (concluding that the claim was fairly

susceptible to an offered construction), and *Lake Shore & Mich. S. Ry. Co.* v. *Nat'l Car-Brake Shoe Co.*, 110 U.S. 229, 235-236 (1884) (same), with *Coupe* v. *Royer*, 155 U.S. 565, 577 (1895) (concluding that the claim was not fairly susceptible to an offered construction), and *McClain*, 141 U.S. at 425 (same). The "fairly susceptible" standard has also withstood the test of time. The Federal Circuit continues to rely on that standard, most recently applying it just last year. See *Sealant Sys. Int'l, Inc.* v. *TEK Glob., S.R.L.*, 616 Fed. App'x 987, 993 (Fed. Cir. 2015) (relying on the "fairly susceptible" standard to reject a construction in which "the patent would claim more than the patentee actually invented").

The "fairly susceptible" standard's success proves that the functionally identical broadest reasonable interpretation standard is a fitting tool for claim construction in determining unpatentability in *inter partes* review proceedings. While the *Phillips* ordinary-meaning standard certainly plays a central role in construing claims for a district court's *validity* determination, there can be no doubt, based on this Court's precedents, that the reasonableness inquiry embodied in the broadest reasonable interpretation standard is suitable for *inter partes* review.

B. The PTO has long employed the broadest reasonable interpretation standard in a variety of patent proceedings

The broadest reasonable interpretation standard has also proven to be workable in many types of PTO proceedings. That standard forms the foundation of American patent law, for the PTO applies it during the initial examination of every patent application. See *In re Prater*, 415 F.2d 1393, 1404-1405 (C.C.P.A. 1969); *In re Carr*, 297 F. 542, 543-544 (D.C. Cir. 1924). It also governs reexamination, reissue, and interference proceedings. See *In re Yamamoto*, 740 F.2d 1569, 1571 (Fed. Cir.

1984) (reexaminations); *In re Reuter*, 670 F.2d 1015, 1019 (C.C.P.A. 1981) (reissues); *Reese* v. *Hurst*, 661 F.2d 1222, 1236 (C.C.P.A. 1981) (interferences). The broadest reasonable interpretation standard applied as well in the forerunner of *inter partes* review, *inter partes* reexamination. See *Leo Pharm. Prods., Ltd.* v. *Rea*, 726 F.3d 1346, 1352 (Fed. Cir. 2013).

The broadest reasonable interpretation standard has performed ably as the PTO's core standard for decades. It has withstood the test of time, and this impressive track record—along with the PTO's familiarity with and confidence in that standard—further demonstrates its suitability for *inter partes* review.

CONCLUSION

Amici respectfully request that the judgment of the Court of Appeals be affirmed with respect to the first question presented in this case.

Respectfully submitted.

JENNIFER L. NALL
BAKER BOTTS L.L.P.
98 San Jacinto Boulevard
Suite 1500
Austin, Texas 78701-4078
(512) 322-2500

MICHAEL HAWES
AARON M. STREETT
Counsel of Record
J. MARK LITTLE
BAKER BOTTS L.L.P.
910 Louisiana Street
Houston, Texas 77002
(713) 229-1855
aaron.streett@bakerbotts.com

Counsel for Amici Curiae CME Group, Inc., TD Ameritrade, Inc., and Intercontinental Exchange Inc.

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